

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 171

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING CHAPTER 25, TITLE 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-2517, IDAHO CODE, TO DEFINE TERMS, TO REQUIRE TRANSPORTATION NETWORK COMPANIES AND DRIVERS TO MAINTAIN INSURANCE, TO PROVIDE THAT TRANSPORTATION NETWORK COMPANY INSURANCE SHALL BE IN FORCE AT CERTAIN TIMES, TO REQUIRE THAT TRANSPORTATION NETWORK COMPANY INSURANCE POLICIES SHALL PROVIDE CERTAIN COVERAGE, TO PROVIDE THAT TRANSPORTATION NETWORK COMPANY INSURANCE MAY PROVIDE ADDITIONAL COVERAGE, TO PROVIDE THAT INSURERS HAVE A DUTY TO DEFEND AND INDEMNIFY, TO PROVIDE THAT TRANSPORTATION NETWORK COMPANY INSURANCE COVERAGE DOES NOT DEPEND ON CLAIM DENIAL BY ANOTHER INSURER, TO CLARIFY THAT A PRIVATE PASSENGER'S INSURANCE COMPANY IS NOT REQUIRED TO PROVIDE COVERAGE IN CERTAIN CIRCUMSTANCES, TO ESTABLISH THE CIRCUMSTANCES UNDER WHICH PERSONAL INSURANCE POLICIES APPLY DURING A TRANSPORTATION NETWORK COMPANY DRIVER'S COMMERCIAL USE PERIOD, TO PROVIDE THAT TRANSPORTATION NETWORK COMPANIES SHALL COOPERATE DURING ACCIDENT OR CLAIMS INVESTIGATIONS, TO PROVIDE THAT THE DEPARTMENT OF INSURANCE SHALL ADOPT A CERTIFICATE OF INSURANCE FORM FOR TRANSPORTATION NETWORK COMPANY INSURANCE, TO REQUIRE DRIVERS FOR TRANSPORTATION NETWORK COMPANIES TO CARRY PROOF OF INSURANCE AND PROVIDE INSURANCE INFORMATION IN THE EVENT OF AN ACCIDENT, TO PROVIDE THAT TRANSPORTATION NETWORK COMPANIES SHALL DISCLOSE CERTAIN INFORMATION IN WRITING TO THEIR DRIVERS AND TO CLARIFY THAT THE AUTHORITY OF POLITICAL SUBDIVISIONS TO REGULATE TRANSPORTATION NETWORK COMPANIES AND DRIVERS IS NOT LIMITED.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 25, Title 41, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 41-2517, Idaho Code, and to read as follows:

41-2517. TRANSPORTATION NETWORK COMPANIES. (1) As used in this section:

(a) "Commercial use period" means the time period from the moment a participating driver logs on to a transportation network company's online-enabled application or platform until either the moment the driver logs off or the ride is complete and the passenger exits the vehicle, whichever is later.

(b) "Driver" or "participating driver" means any person who uses a vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers.

(c) "Transportation network company" means an organization including, but not limited to, a corporation, limited liability company, partnership, sole proprietor or any other entity operating in Idaho that provides prearranged transportation services for compensation using

1 an online-enabled application or platform to connect passengers with  
2 drivers using a personal vehicle.

3 (d) "Transportation network company insurance" means an insurance pol-  
4 icy that specifically covers a driver's use of a vehicle in connection  
5 with a transportation network company's online-enabled application or  
6 platform.

7 (2) A transportation network company and all participating drivers  
8 shall maintain transportation network company insurance as provided in this  
9 section. Such insurance may be maintained by:

10 (a) A participating driver; or

11 (b) The transportation network company covering its participating  
12 drivers; provided however, that if a transportation network company in-  
13 sures its participating drivers, it shall offer coverage to the drivers  
14 for medical payment protection, comprehensive physical damage and col-  
15 lision physical damage with limits that are not less than the limits for  
16 the same coverage found in the driver's personal auto insurance policy.  
17 If a driver obtains an auto insurance policy that specifically covers  
18 the vehicle when it is in use for transportation network services, that  
19 policy shall provide primary coverage. In the event that the driver's  
20 transportation network company insurance lapses or is not available  
21 for any reason, the transportation network company's insurance shall  
22 become the primary insurance.

23 (3) Transportation network company insurance shall provide primary  
24 coverage to participating drivers and shall be in force from the moment the  
25 participating driver logs on to the transportation network company's on-  
26 line-enabled application or platform until either the driver logs off or the  
27 ride is complete, whichever is later. The insurance required by this section  
28 shall be provided either through a separate policy or through an endorsement  
29 for which a premium has been paid.

30 (4) The minimum coverage for transportation network company insurance  
31 shall include:

32 (a) Liability coverage with limits not less than the limits in section  
33 49-117(18), Idaho Code; and

34 (b) Coverage for death, bodily injury, property damage, uninsured mo-  
35 torists and underinsured motorists.

36 (5) Transportation network company insurance may also provide:

37 (a) Medical payment protection under a commercial policy or under an  
38 endorsement for which a premium has been paid; and

39 (b) Collision physical damage coverage and comprehensive physical dam-  
40 age coverage under a commercial policy or under an endorsement for which  
41 a premium has been paid.

42 (6) The insurer providing transportation network coverage pursuant to  
43 this section shall have the duty to defend and indemnify the insured.

44 (7) Coverage under a transportation network company insurance policy  
45 shall not depend on a personal automobile insurance policy first denying a  
46 claim nor shall a personal automobile insurance policy be required to first  
47 deny a claim.

48 (8) Nothing in this section shall be construed to require a private pas-  
49 senger's automobile insurance company to provide primary or excess coverage  
50 during the commercial use period.

1 (9) During the commercial use period, the following shall apply:

2 (a) The participating driver's or the vehicle owner's personal auto-  
3 mobile insurance policy shall not provide any coverage to the partici-  
4 pating driver, vehicle owner or any third party, unless the policy ex-  
5 pressly provides for that coverage during the commercial use period or  
6 the policy contains an amendment or endorsement to provide such cover-  
7 age for which a separately stated premium is paid; and

8 (b) The participating driver's or the vehicle owner's personal automo-  
9 bile insurance policy shall not have the duty to defend or indemnify the  
10 driver's activities in connection with the transportation network com-  
11 pany unless the policy expressly provides otherwise for the commercial  
12 use period, with or without a separate charge, or the policy contains  
13 an amendment or endorsement to provide that coverage for which a sepa-  
14 rately stated premium is charged.

15 (10) In an accident or claims coverage investigation, a transportation  
16 network company shall cooperate with insurers that are involved in the acci-  
17 dent or claims coverage investigation to facilitate the timely exchange of  
18 information, and if an accident or other loss has occurred, shall be required  
19 to provide within ten (10) business days after receiving a written or elec-  
20 tronic request a copy of the company's electronic record showing the pre-  
21 cise times that the participating driver logged on and off the transporta-  
22 tion network company's online-enabled application or platform on the day the  
23 accident or other loss occurred and retain such records for a period of five  
24 (5) years from the date of accident or loss.

25 (11) The department shall adopt a certificate of insurance form which,  
26 when issued by an insurer, shall be proof of transportation network company  
27 insurance. All insurers shall issue a certificate of insurance to each poli-  
28 cyholder holding transportation network company insurance.

29 (12) A participating driver of a transportation network company shall  
30 carry proof of transportation network company insurance coverage with him or  
31 her at all times during his or her use of a vehicle in connection with a trans-  
32 portation network company's online-enabled application or platform. Such  
33 proof shall be in the form of a valid certificate issued by the insurer pur-  
34 suant to subsection (11) of this section. The provisions of section 49-1232,  
35 Idaho Code, shall apply to the certificate of insurance issued pursuant to  
36 subsection (11) of this section. In the event of an accident, a participat-  
37 ing driver shall provide, upon request, his or her insurance coverage infor-  
38 mation to a police officer and to any other party involved in the accident.

39 (13) As part of its agreement with participating drivers, a transporta-  
40 tion network company shall disclose in writing to such drivers the insur-  
41 ance coverage and limits of liability that the transportation network com-  
42 pany provides for the driver while the driver uses a vehicle in connection  
43 with a transportation network company's online-enabled application or plat-  
44 form. The transportation network company shall also advise participating  
45 drivers, in writing, that the law of this state requires transportation net-  
46 work company insurance coverage when the driver uses a vehicle in connection  
47 with a transportation network company's online-enabled application or plat-  
48 form.

1           (14) The provisions of this section do not displace or otherwise limit  
2 the authority of a political subdivision of this state to regulate trans-  
3 portation network companies or participating drivers.